

accordance with this section with eligible entities
to carry out
the activities described in subsection (b).

"(b) ACTIVITIES DESCRIBED.—The activities described
in this
subsection are as follows:

"(1) Review of activities of providers of services
or other
individuals and entities furnishing items and
services for which
payment may be made under this title (including
skilled nursing
facilities and home health agencies), including
medical and
utilization review and fraud review (employing
similar stand-
ards, processes, and technologies used by private
health plans,
including equipment and software technologies
which surpass
the capability of the equipment and technologies
used in the
review of claims under this title as of the date of
the enactment
of this section).

"(2) Audit of cost reports.

"(3) Determinations as to whether payment
should not
be, or should not have been, made under this
title by reason
of section 1862(b), and recovery of payments that
should not
have been made.

"(4) Education of providers of services,
beneficiaries, and
other persons with respect to payment integrity
and benefit
quality assurance issues.

"(5) Developing (and periodically updating) a
list of items
of durable medical equipment in accordance with
section
1834(a)(15) which are subject to prior
authorization under such
section.

"(c) ELIGIBILITY OF ENTITIES.—An entity is eligible
to enter
into a contract under the Program to carry out any of
the activities
described in subsection (b) if—

"(1) the entity has demonstrated capability to
carry out
such activities:

"(2) in carrying out such activities, the entity
agrees to
cooperate with the Inspector General of the
Department of
Health and Human Services, the Attorney
General, and other
law enforcement agencies, as appropriate, in the
investigation
and deterrence of fraud and abuse in relation
to this title
and in other cases arising out of such activities:

"(3) the entity complies with such conflict of
interest stand-
ards as are generally applicable to Federal

acquisition and
procurement: and

"(4) the entity meets such other requirements
as the Secretary may impose.

In the case of the activity described in subsection (b)
(5), an entity
shall be deemed to be eligible to enter into a
contract under the
Program to carry out the activity if the entity is a
carrier with
a contract in effect under section 1842.

"(d) PROCESS FOR ENTERING INTO CONTRACTS. ~~The Secretary~~
Regulations.
shall enter into contracts under the Program in accordance
with
such procedures as the Secretary shall by regulation
establish.

except that such procedures shall include the following:

"(1) Procedures for identifying, evaluating, and
resolving
organizational conflicts of interest that are
generally applicable
to Federal acquisition and procurement.

"(2) Competitive procedures to be used ~~—~~

"(A) when entering into new contracts under this
section;